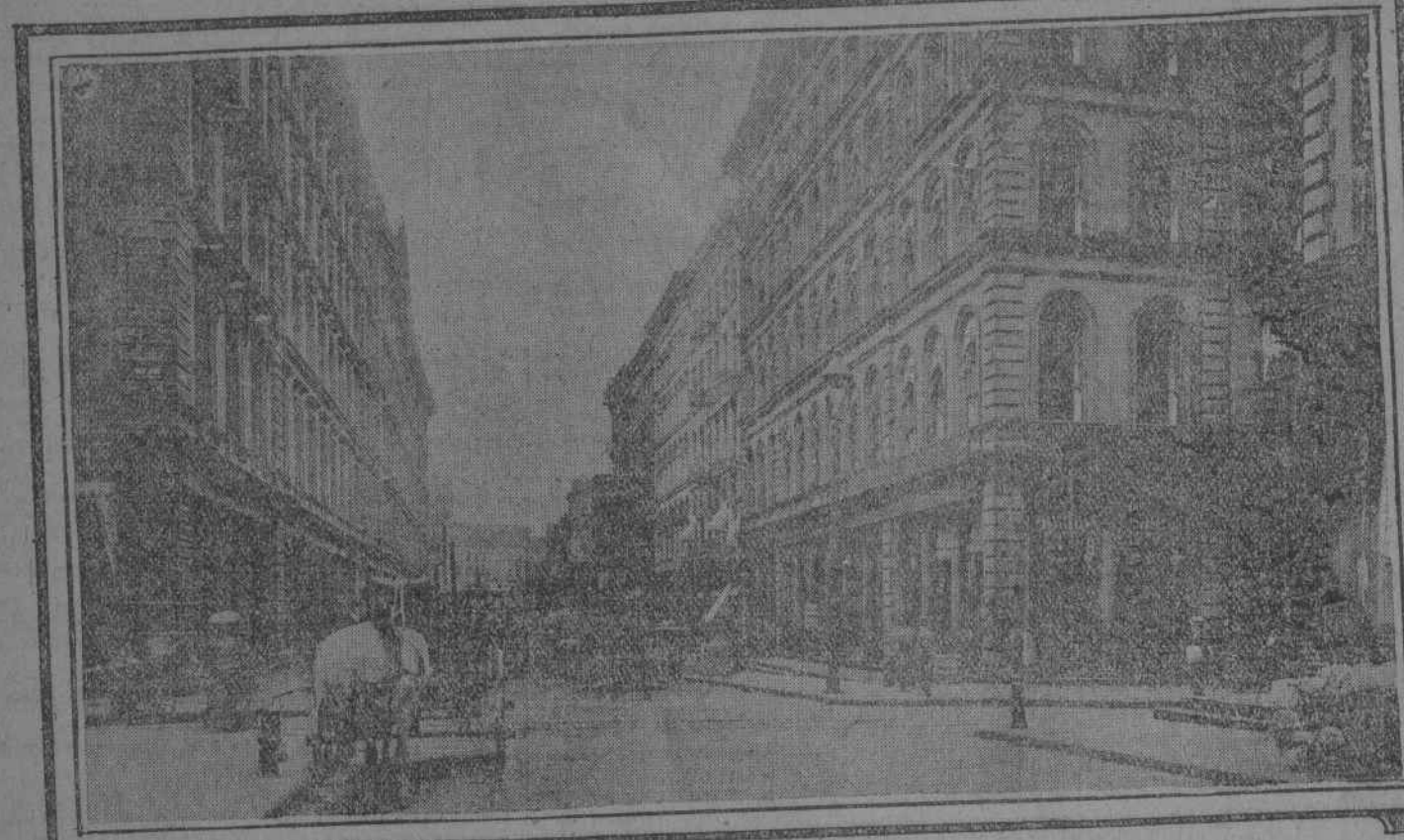
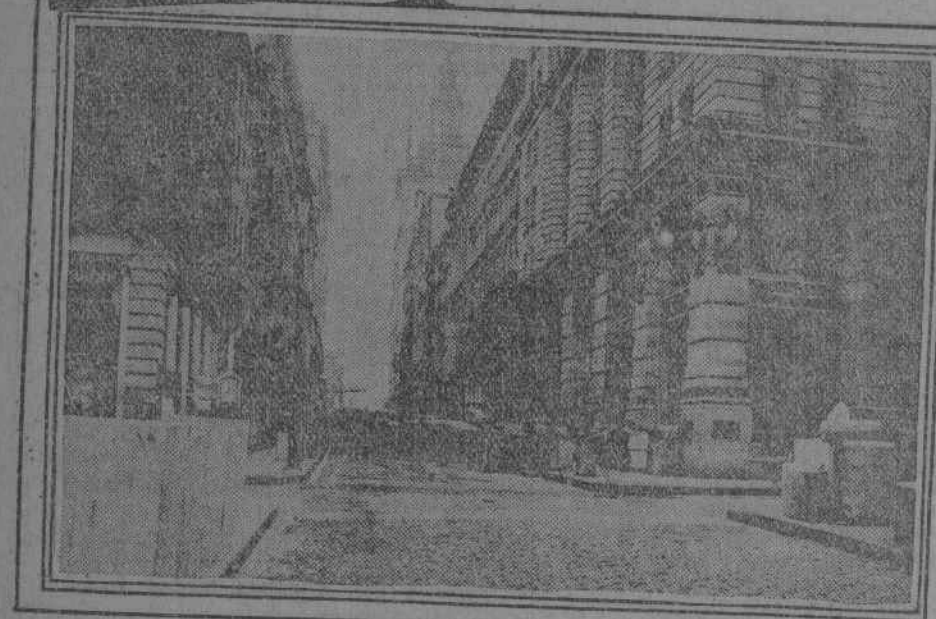


## VIEWS OF THE WHOLESALE DRY GOODS DISTRICT, WHICH HAS RETAINED ITS CHARACTER DESPITE THE UPTOWN MOVEMENT

VIEW AT THE CORNER OF CHURCH AND WORTH STS.



VIEW OF LEONARD ST. EAST OF CHURCH ST.



LOOKING WEST ON LEONARD ST. FROM CHURCH ST.



WHITE ST. LOOKING WEST FROM BROADWAY.



LOOKING SOUTH ON CHURCH ST. FROM WALKER ST.

THOMAS ST. LOOKING EAST FROM CHURCH ST.



## Trades a Notable Feature of the Market for Realty

Continuance of Good Leasing, Also Prominent Last Week, Served to Illustrate Real Estate Investment Possibilities.

### NO SUBSTANTIAL CASH BUYING IS REPORTED

Shrewd Judges Now Hold That a Good Phase of the Market in the Near Future Will Be a Demand for Cheap Lots.

Two features in the real estate dealing last week gave the market whatever character it possessed. These were the continuance of the leasing movement and the consummation of several good sized deals involving trades. Furthermore, it was noticeable that in the reports of minor sales a larger amount of new construction was planned than has been customary for several weeks. Anything like the purchase of a lot for improvement or an old dwelling for remodeling by builders of high grade private houses was neither reported nor suggested. This class of business has been for weeks as quiet as a country churchyard.

Everything in the line of current news appears to bear out the prediction of shrewd market judges that the day of cheap property has arrived. This does not mean property that can be bought at a cheap price, for no one is jumping after that, and, in fact, a member of a prominent and wealthy firm of operators recently admitted in conversation that he would not buy anything offered to him, even if it were both choice and cheap. What it does mean is property within the reach of the small merchant, the professional man of modest

means and as long ago as last January. Events have narrowed it cruelly since then, and high class private house builders are turning their attention more closely to the problem of marketing what they have on hand than to undertaking new construction. This is a waiting time, rather trying to the dwelling house builder's nerves.

#### Prospects of the Market for High Grade Houses.

The speculative builder's business is a risky but nevertheless an absolutely legitimate one. When wealthy men as a class—the very men on whom the producer of a costly dwelling must depend for a market—are disposed to economy by reason of pecuniary losses, a rather dangerous condition confronts the builder. The fact that this is widely recognized is shown by the very absence of purchasing of sites suitable for improvement with fine dwellings. Neither the dull season nor the tight money market would altogether account for it, though the latter has a strong influence.

Still it would be rash to maintain that the speculative house builders cannot work out of their predicament and avoid serious loss. Their strong points are the constantly increasing population of the city (always carrying in some men of means), the fact that they are most prudently refraining from further construction—if, indeed, they are so situated as to be able to undertake it—and the further fact that when their market was at its best, some months ago, they exercised conservatism and moderation. It is true that for a city of its size and wealth New York does not contain a great surplus of fine dwellings, built to sell and still on the market. Builders like the Parleys and the Halls did not lose their heads or rush wildly into new ventures because the old ones had been, on the whole, successful. In taking on additional construction work they seem to have had a careful eye to the possibilities of a narrower market, and are no doubt congratulating themselves on this circumstance to-day.

However, private house builders as a class should be wary about buying sites for more dwellings at the present moment, particularly in the Fifth Avenue section. A little restriction of the supply will benefit the market considerably, and meanwhile the same men who feel wedded to this class of work may find in the erection of good apartment houses a field for their talents. It is a profitable field, and fortunately there is room in it for an added force of workers.

#### The Lesson of Big Leases.

Two transactions alone, both reported last week, involve total rentals, irrespective of renewals, which amount to about \$5,000,000. These were the leases of the twenty-one story hotel being erected at the southwest corner of Fifth Avenue and Fifty-fifth street, to Frank V. Bennett, of Washington, D. C., and that of the apartment hotel occupying the block front in the east side of Broadway, between Eighty-fifth and Eighty-sixth streets, taken by Anderson & Piles.



Mrs. Emma Schneider Disposed of This House.

means and the thrifty artisan. The artisan, of course, is being hurt by the building strike, but in spite of the most gloomy predictions the strike is only a temporary condition.

As for the twenty-five foot or thirty foot parcel, on which a house designed to sell for between \$10,000 and \$20,000 can be suitably constructed, it must be admitted that no one is buying it to use in that way. An excellent market for these products

A West Twenty-third street jewelry house took a long term lease of No. 32 Fifth Avenue, 28x13, adjoining the Knickerbocker Club, which is at the northeast corner of Thirty-second street, and will improve the site with a five story building for occupancy.

Such important deals, coming at a time when operators are indisposed to buy because already overloaded, and when tight money and anxiety in business circles are inducing much talk of lower realty prices, constitute a valuable tribute to the investment character of real estate. There is

lack of shrewd business men willing to back with their capital their belief that the use of New York real estate is well worth paying for.

#### Recent Transactions of Note.

Readers of this column may find it a tax on their credulity to admit that real estate as an investment is in admirable condition now and yet has but a narrow market. Yet no one familiar with the facts and capable of keen judgment can truthfully deny that this is the case. Real estate, incidentally, is not the only field in which so anomalous a condition may be discerned. How restricted the market is may be noticed in the best sales of last week. They involved trades. The "investors" who figured as buyers—the kind of "investors" who would jump at the chance of a good profit to-morrow—gave other property in part payment. Large cash purchases of modern buildings by genuine investors are not being made. The reports sent out by brokers are frequently misleading.

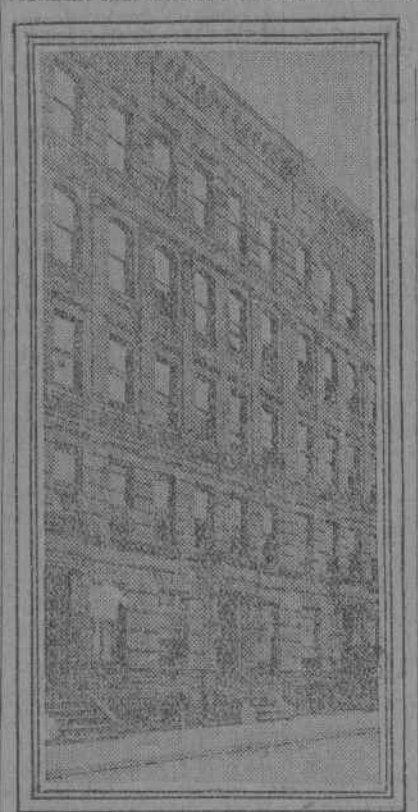
John W. Stevens sold his new loft building at No. 4 West Sixteenth street to Messrs. Ernst last week, and took from them a Washington Heights block front, on which he will put an apartment building. Jacob D. Butler, formerly a building loan operator of great prominence, bought the Loth silk factory, occupying the block front in the west side of Amsterdam Avenue between 150th and

151st streets, and gave in part payment a plot of ten lots in Edgecombe Avenue north of 144th street. He is going to subdivide the Loth silk factory up into stores unless he first recals it. These transactions are typical.

The strike still continued in a modified form and the mortgage market is still tight and promises to grow tighter. Money is already beginning to flow West to fill the crop demands. September grain options will fall due in a few more days and currency will be in brisk demand from then till late in December. If any great speculation is stirred up by Wall Street traders a rising call rate will further complicate the mortgage situation.

Nevertheless, the real estate market, if less vigorous than it might be, is still far from sick. Indications are that the dropping off in demand for property in the inflated portion of the upper east side may be balanced by increased inquiry for lots in such sections as the Dyckman tract.

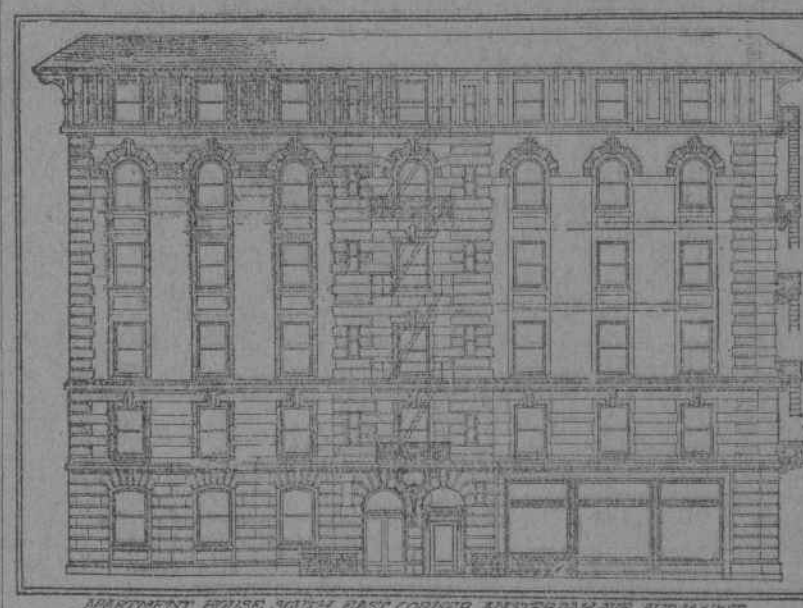
Operators and investors will wait many a day before they see another wealthy homeowner pay half a million dollars for a fifty foot dwelling site on a Fifth Avenue corner. But they will not have to wait at all to see good tenements, flats and loft buildings well filled with paying tenants. As for the small builder, the contriver of tenements and flats, if he has cash or backing, his opportunity for safe and profitable work is as good to-day as he ever saw before or will ever see again.

NO 80 WEST 103<sup>RD</sup> ST.

A West Side Flat Sold by D. W. Dowling to James Ford.

going to be no boom in New York land this fall. Conditions are not ripe for it. No one could get it up. But New York real estate, take it by and large, considering good times and bad times, is magnificent property to hold and boasts a wonderful investment record, besides an undeniably wonderful record of improvement in value. There is no use forgetting these things simply because over-speculation has brought reality into an inflated condition in sections and because mortgages cost more than they ought to for the time being.

Business property, tenement property, apartment houses and hotels are paying, and paying well, with comparatively few exceptions. Modern office structures, no doubt, have decreasing rent rolls in prospect, and some of them are indifferent investments at their best. But the leases of the last week indicate that there is no



THIS NEW APARTMENT HOUSE TO CONTAIN ROOMS RENTABLE AT MODERATE PRICES.

Plans have just been filed, as will be noticed in another column, for a six story brick apartment house, 52x20x10, which Walter A. Dick will erect at the southeast corner of Amsterdam Avenue and 164th street, at a cost of \$105,000. The architects are Ludlow & Valentine. A view of the facade of the projected structure is printed herewith. The house will be a double one, with accommodations for eighty-four families, and the apartments will have plenty of closet room. Ornamental air escapes are to be constructed. The building will be a good type of a class of improvement now popular on Washington Heights, containing rooms designed to bring moderate rents.

## Dry Goods Commission District Is Able to Hold Its Own

Sustained No Damage by the Loft Building Development in Fifth Avenue—Firms Which Emigrated Replaced by Others from Out of Town.

In spite of the northward trend of business, which has in past exhibited itself in the filling up of lower Fifth Avenue with business structures, the center of the dry goods commission business of New York and of the United States remains in Worth and Leonard streets and vicinity. Views of this section are presented herewith in the HERALD.

When the loft building movement gained a foothold in the uptown district a few years ago there was considerable disquietude among the owners of property in the dry goods section below Canal street, and there would be prophets who spoke of a day soon to come when a new class of trade would have to be drawn upon in order to keep the property in the dry goods district on a paying basis. This prediction has proven to be without basis. The thoroughfares which have been known for more than a quarter of a century as the chief localities of the wholesale dry goods trade of America are to-day as popular for that business as ever before in their history. Brokers in the neighborhood declare that rents are higher this season than ever before, and that the influx of Western and Southern firms has occasioned a larger demand for floor space there than has ever before been known in the district.

Some authorities go so far as to prophesy that within a short period of time owners of business buildings in Worth, Leonard, Thomas and other streets of a similar calibre will find it a paying proposition to spend large sums in improving their property by alterations and even in erecting larger and more modern loft buildings than the present ones. If this rebuilding of the dry goods district comes about its main cause may be attributed to the demand by first class firms for larger floor space—not several floors, but more commodious ones. Where a few years ago a firm would desire a whole building or several twenty-five foot front floors, now there is a marked demand for an uninterrupted floor space not less than 50x100 and preferably 60x200 feet. This is the leading characteristic of the real estate market, so far as it pertains to the dry goods commission district.

#### Boundaries of the Wholesale Dry Goods Section.

It is not an easy matter to define accurately the boundaries of this section. Some brokers consider that it extends up to Twenty-third street. New York city, they say, is assuming commercial proportions which no longer permit of so stringent a localization of the trades as formerly. It may be said, however, that while there are some notable exceptions to the statement, the dry goods commission houses are below Canal street, on or west of Broadway, and few are to be found further south than Thomas street. That portion of Broadway itself between Thomas and Canal streets is occupied by big dry goods houses, but not sufficiently so to give it a specific dry goods character.

Few improvements of recent date are to be found in the section. The most recent improvement is the building at the southeast corner of Leonard and Church streets. Many of the buildings have been modernized in recent years; elevators and electric wiring have been installed in the major part of the district.

Rentals are in fine condition. Lots and stores rent on their own merits; that is, according to their light and location. Stores and basements in Worth and Leonard streets especially are extremely scarce—almost unobtainable by new comers. A few lofts are in the market. A store 50x100 feet brings from \$1,000 to \$1,000 a year. Anything under this size is not considered highly desirable.

Property has not changed hands much in the section. Even when the northward business movement caused a temporary depression in the section there was no falling off of rentals to any appreciable degree. Most of the property is in strong hands—estates large—and there is little of it in the market.

Besides Worth, Leonard and Thomas streets, it is just to mention, in this connection, White street, where the linen goods houses are located, and Walker street, where jobbers and "remnant houses" are to be found. Lispenard and Canal streets also have the "remnant houses with them."

Comparisons of rental values in the old section with those in the newly developed lower Fifth Avenue loft buildings show that the latter are higher. Brokers in the downtown district say, however, that if new buildings, especially buildings with more commodious floor space, were built down town they would command fully as high rents as the structures in lower Fifth Avenue.

#### Anticipating the Fall Rental Demand.

There has been some building in lower Broadway itself, catering to the dry goods houses. The most notable recent structure, from the dry goods point of view, is the Bayard Building, at the southeast corner of Broadway and Spring street, an eleven story loft building which has just been completed. This building has met with success already, and the agents ascribe this to the fact of its large floor space, each floor being 50x250 feet.

The downtown dry goods renting season has begun, and the early demand for space has caused optimism among owners and brokers in the section.

In discussing the situation Mr. Walker, of William C. Walker & Sons, said:—"The dry goods district is holding intact far more consistently than most localities in New York, and the chances are that there will be no lessening of the demand. The severest test is over. When the lower Fifth Avenue business movement began there were many fears expressed for the old established dry goods section. But for every firm that has left the section there has always been a successor, and I believe this condition will exist in the future. We have never seen the renting outlook better."

Mr. Lord, of the firm of Daniel Birdsell & Co., said:—"Notwithstanding the large number of removals from this district to the newly developed section above B. h. street, there are few vacancies in the downtown dry goods district, and there is a real scarcity of stores between Duane and White streets. As a result rents are somewhat higher. It is true that the section has been helped considerably by the pressing in of railroad offices, especially on the Broadway corners. But the dry goods district in the side streets has retained its old character in a remarkable way."

Brokers in the dry goods commission district have been urging building improvements for a long time, and they have succeeded in getting owners to put into their buildings certain necessary alterations. These are adequate in most cases, but it is an undeniable fact that many of the old style buildings would best be demolished to make room for modern structures.

Most of the edifices in the district were erected about twenty years ago; few of them are even in the fireproof class. Brokers are of the opinion that little improvement may be looked for in the near future, although they say that it is bound to occur within the next five years. By that time the section caused by the northward trend of business will have had time to die away completely. They are a conservative lot, the owners of property in the downtown dry goods district, and they are not disposed to spend money on their property when it is not palpably to their advantage to do so.

Mr. Walker estimates that from eight to ten per cent net is the income derived from the fifty foot lot and store buildings in the section under discussion. Whether they are on Broadway or in the side streets.